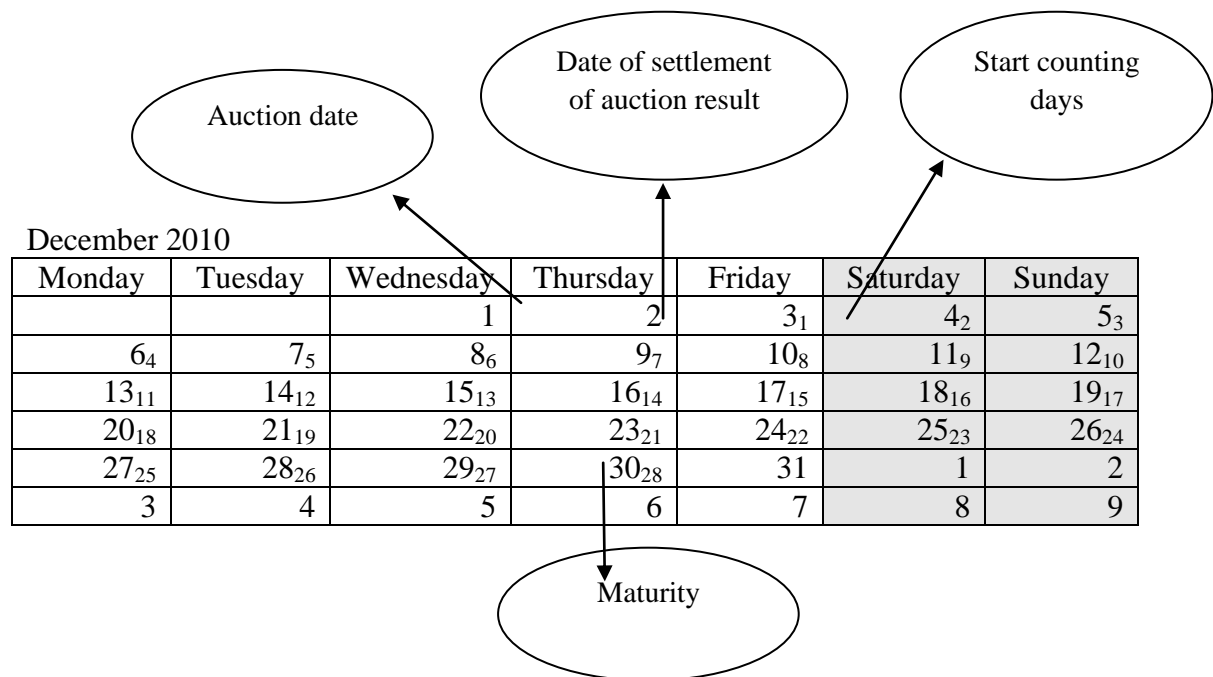## Calculation of SBI Tenure

Example of calculation of SBI of 1 (one) month-tenure

Transaction data:

Auction date : December 1, 2010

Date of settlement of auction result : December 2, 2010

Date of matured SBI settlement : December 30, 2010

December 2010

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
		1	2	3_1	4_2	5_3
6_4	7_5	8_6	9_7	10_8	11_9	12_{10}
13_{11}	14_{12}	15_{13}	16_{14}	17_{15}	18_{16}	19_{17}
20_{18}	21_{19}	22_{20}	23_{21}	24_{22}	25_{23}	26_{24}
27_{25}	28_{26}	29_{27}	30_{28}	31	1	2
3	4	5	6	7	8	9

SBI True Discount Calculation

Auction date   : December 1, 2010

SBI nominal value   : Rp1,000,000,000.00

Discount rate   : 7.50%

Maturity date   : December 30, 2010

SBI tenure   : 1 month (28 days)

Cash Value can be calculated as follows:

$$\text{Cash Value} = \frac{(\text{Nominal Value} \times 360)}{360 + (\text{Discount Rate} \times \text{Tenure})}$$

$$= \frac{(\text{Rp1,000,000,0000} \times 360)}{360 + (7.50\% \times 28)}$$

$$= \text{Rp994,200,497.10}$$

Discount Value = Nominal Value – Cash Value

$$= \text{Rp1,000,000,0000} - \text{Rp994,200,497.10}$$

$$= \text{Rp5,799,502.90}$$

Example of Calculation for SBI/Term Deposit Auction Winner

By Using the Fixed Rate Tender Method

1. Auction Plan

   Auction date : December 1, 2010

   Auction method : Fixed rate tender

   Tenure : 28 days

   Discount rate : 7.50000%

   Window time : 12.00 – 14.00 Western Indonesia Time (WIB)

   Settlement date : December 2, 2010

2. Auction Bid

   Quantity : Rp8 trillion

3. Determination of Auction Winner

   a. The whole bids are declared as winners.

      Quantity : Rp8 trillion (full amount)

Table 1. Calculation of Quantity and Cash Value

(in billion rupiah)

No	Bank	Bid				Auction Winner				
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Cash Value
1	A	500	500	7.50	7.50000	500	500	7.50	7.50000	497.10
2	B	1,000	1,500.00	7.50	7.50000	1,000	1,500	7.50	7.50000	994.20
3	C	750	2,250.00	7.50	7.50000	750	2,250	7.50	7.50000	745.65
4	D	1,250	3,500.00	7.50	7.50000	1,250	3,500	7.50	7.50000	1,242.75
5	E	500	4,000.00	7.50	7.50000	500	4,000	7.50	7.50000	497.10
6	F	1,000	5,000.00	7.50	7.50000	1,000	5,000	7.50	7.50000	994.20
7	A	500	5,500.00	7.50	7.50000	500	5,500	7.50	7.50000	497.10
8	B	800	6,300.00	7.50	7.50000	800	6,300	7.50	7.50000	495.36
9	G	500	6,800.00	7.50	7.50000	500	6,800	7.50	7.50000	497.10

No	Bank	Bid				Auction Winner				Cash Value
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	
10	H	700	7,500.00	7.50	7.50000	700	7,500	7.50	7.50000	695.94
11	C	500	8,000.00	7.50	7.50000	500	8,000	7.50	7.50000	497.10

b. The bids declared as a winner proportionally

Quantity : Rp6.5 trillion

Table 2. Calculation of Quantity and Cash Value

(in billion rupiah)

No	Bank	Bid				Auction Winner				Cash Value
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	
1	A	500	500.00	7.50	7.50000	406.25	406.25	7.50	7.50000	403.89
2	B	1,000	1,500.00	7.50	7.50000	812.50	1,218.75	7.50	7.50000	807.79
3	C	750	2,250.00	7.50	7.50000	609.375	1,828.13	7.50	7.50000	605.84
4	D	1,250	3,500.00	7.50	7.50000	1,015.63	2,843.75	7.50	7.50000	403.89
5	E	500	4,000.00	7.50	7.50000	406.25	3,250.00	7.50	7.50000	403.89
6	F	1,000	5,000.00	7.50	7.50000	812.50	4,062.50	7.50	7.50000	807.79
7	A	500	5,500.00	7.50	7.50000	406.25	4,468.75	7.50	7.50000	403.89
8	B	800	6,300.00	7.50	7.50000	650.00	5,118.75	7.50	7.50000	646.23
9	G	500	6,800.00	7.50	7.50000	406.25	5,525.00	7.50	7.50000	403.89
10	H	700	7,500.00	7.50	7.50000	568.75	6,093.75	7.50	7.50000	565.45
11	C	500	8,000.00	7.50	7.50000	406.25	6,500.00	7.50	7.50000	403.89

Description:

The calculation of quantity for the auction winner is proportionally obtained, as follows:

$$\frac{\text{Auction participant bid}}{\text{Total incoming bids}} \text{ x } \text{Quantity of SBI tender accepted}$$

Example of quantity won for bid number 1 and bid number 2:

Bank A = (500/8,000) x (Rp6,500 billion = Rp406.25 billion.

Bank B = (1,000/8,000) x (Rp6,500 billion = Rp812.50 billion.

Example of Calculation for SBI/Term Deposit Auction Winner

By Using the Variable Rate Tender Method

1.   Auction Plan

Auction date   :   December 1, 2010

Auction method   :   Variable rate tender

Tenure   :   28 days

Auction target   :   Rp6.5 trillion

Window time   :   12.00 – 14.00 Western Indonesia Time (WIB)

Settlement date   :   December 2, 2010

2.   Auction Bid

Quantity   :   Rp8 trillion

Discount rate   :   7.25% - 7.55%

3.   Determination of Auction Winner

a.   The whole bids up to the SOR are declared as winners.

SOR   :   7.50% (full amount)

Quantity   :   Rp7.5 trillion

Table 1. Calculation of Quantity, Weighted Average and Cash Value
(in billion rupiah)

No	Bank	Bid				Auction Winner				
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Cash Value
1	A	500	500.00	7.25	7.25000	500.00	500.00	7.25	7.25000	497.20
2	B	1,000	1,500.00	7.30	7.28333	1,000.00	1,500.00	7.30	7.28333	994.35
3	C	750	2,250.00	7.30	7.28889	750.00	2,250.00	7.30	7.28889	745.77
4	D	1,250	3,500.00	7.45	7.34643	1,250.00	3,500.00	7.45	7.34643	1,242.80
5	E	500	4,000.00	7.47	7.36188	500.00	4,000.00	7.47	7.36188	497.11
6	F	1,000	5,000.00	7.50	7.38950	1,000.00	5,000.00	7.50	7.38950	994.20
7	A	500	5,500.00	7.50	7.39955	500.00	5,500.00	7.50	7.39955	497.10
8	B	800	6,300.00	7.50	7.41230	800.00	6,300.00	7.50	7.41230	795.36

No	Bank	Bid				Auction Winner				
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Cash Value
9	G	500	6,800.00	7.50	7.41875	500.00	6,800.00	7.50	7.41875	497.10
10	H	700	7,500.00	7.50	7.42633	700.00	7,500.00	7.50	7.42633	695.94
11	C	500	8,000.00	7.50	7.43406	Not winning				

    b. Declared as winner in part at SOR.

        SOR   : 7.50% (accepted proportionally)

        Weighted average   : 7.41500%

Table 2. Calculation of Quantity, Weighted Average and Cash Value

(in billion rupiah)

No	Bank	Bid				Auction Winner				
		Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Quantity	Cumulative	Discount (%)	Discount Weighted Average (%)	Cash Value
1	A	500	500.00	7.25	7.25000	500.00	500.00	7.25	7.25000	497.20
2	B	1,000	1,500.00	7.30	7.28333	1,000.00	1,500.00	7.30	7.28333	994.35
3	C	750	2,250.00	7.30	7.28889	750.00	2,250.00	7.30	7.28889	745.77
4	D	1,250	3,500.00	7.45	7.34643	1,250.00	3,500.00	7.45	7.34643	1,242.80
5	E	500	4,000.00	7.47	7.36188	500.00	4,000.00	7.47	7.36188	497.11
6	F	1,000	5,000.00	7.50	7.38950	714.29	4,714.29	7.50	7.38950	710.14
7	A	500	5,500.00	7.50	7.39955	357.14	5,071.43	7.50	7.39106	355.07
8	B	800	6,300.00	7.50	7.41230	571.43	5,642.86	7.50	7.40209	568.11
9	G	500	6,800.00	7.50	7.41875	375.14	6,000.00	7.50	7.40792	355.07
10	H	700	7,500.00	7.50	7.42633	500.00	6,500.00	7.50	7.41500	497.10
11	C	500	8,000.00	7.50	7.43406	Not winning				

Description:

The calculation of the proportional quantity of auction winner (bids no. 6 through 10) is as follows:

-     Quantity received   :   Rp6,500 billion (bids 1 through 5)

-     Quantity received below SOR: Rp4,000 billion (bids 6 through 10)

-     Remaining quantity which must be taken at SOR level: Rp2,500 billion.

The quantity in the amount of Rp2,500 billion is proportioned for the total bid

at the SOR level in the amount of Rp3,500 billion.

Example of quantity won by bid no.6

Bank F = (1,000/3,500) x Rp2,500 billion = Rp714.29 billion.

EXAMPLE OF REPO TRANSACTION USING SBI

WITH THE FIXED RATE TENDER METHOD

1.   Auction Plan

Auction method   :   Fixed rate tender

Repo tenure   :   7 days

Repo rate   :   7.00%

Window time   :   10.30 – 11.00 Western Indonesia Time (WIB)

Settlement   :   T+0

The series and price of SBI which can be transacted in a repo transaction as

announced in the BI-SSSS:

-       IDBIXX = 99.75892%

-       IDBIYY = 99.46661%

-       IDBIZZ = 98.41481%

2.   Auction Bid

Quantity   :   Rp11.35 trillion

Table 1. Auction Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	Repo rate (%)	SBI Series under repo (RRT of SBI and SBI remaining tenure)
(1)	(2)	(3)	(4)	(5)
Bank A	1,000.00	1,000.00	7.00	IDBIXX (RRT 7.25000%; Remaining tenure 12 days)
Bank B	500.00	1,500.00	7.00	IDBIXX (RRT 7.25000%; Remaining tenure 12 days)
Bank C	3,600.00	5,100.00	7.00	IDBIZZ (RRT 7.34000%; Remaining tenure 79 days)
Bank D	3,250.00	8,350.00	7.00	IDBIYY (RRT 7.15000%;

				Remaining tenure 27 days)
Bank E	2,000.00	10,350.00	7.00	IDBIZZ (RRT 7.34000%; Remaining tenure 79 days)
Bank F	1,000.00	11,350.00	7.00	IDBIYY (RRT 7.15000%; Remaining tenure 27 days)

3. Determination of Auction Winner

Quantity   : Rp7 trillion (proportional)

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	Repo rate (%)	Securities Settlement			First leg Settlement Value[3]	Repo Interest	Second leg Settlement Value[4]
				Series	SBI Price (%)	nominal value SBI under repo[2]			
(1)	(2)	(3)	(4)	(6)	(7)	(8)	$(9)=(7)x(8)$	$(10)=(9)x(4)*(7/360)$	$(11)=(9)+((10)$
Bank A	616.74	616.74	7.00	IDBIXX	99.75892	616.74	615.25	0.84	616.74
Bank B	308.37	925.11	7.00	IDBIXX	99.75892	308.37	307.63	0.42	308.37
Bank C	2,220.26	3,145.37	7.00	IDBIYY	98.41481	2,220.26	2,185.07	2.97	2,220.26
Bank D	2,004.41	5,149.78	7.00	IDBIYY	99.46661	2,004.41	1,993.72	2.71	2,004.41
Bank E	1,233.48	6,383.26	7.00	IDBIZZ	98.41481	1,233.48	1,213.93	1.65	1,233.48
Bank F	616.74	7,000.00	7.00	IDBIYY	99.46661	616.74	613.45	0.83	616.74

Description:

1) The quantity won by each Bank is calculated proportionally by rounding up the smallest amount to Rp1 million.

$$\frac{\text{Bid quantity (Rp1 trillion)}}{\text{Total bid (Rp11.35 trillion)}} \text{ X } \text{Quantity of accepted transaction (Rp7 trillion)} = \text{Rp616.74 billion}$$

2) Nominal value constitutes the nominal value of the Securities to be debited from the Securities Account in the first leg settlement and to be credited in the second leg settlement.

3) The first leg settlement value to be credited to the Demand Deposit Account.

4) The second leg settlement value to be debited by Bank Indonesia.

EXAMPLE OF REPO TRANSACTION BY USING SBI

WITH THE VARIABLE RATE TENDER METHOD

1.   Auction Plan

Auction method   :   Variable rate tender

Repo tenure   :   7 days

Indicative target   :   Rp7 trillion

Window time   :   15.00 – 15.30 Western Indonesia Time (WIB)

Settlement   :   T+0

The series and price of SBI which can be transacted in a repo transaction as

announced in the BI-SSSS:

-    IDBIXX = 99.75892%

-    IDBIYY = 99.46661%

-    IDBIZZ = 98.41481%

2.   Auction Bid

Quantity   :   Rp11.35 trillion

Table 1. Auction Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	Repo rate (%)	SBI Series under repo (RRT of SBI and SBI remaining tenure)
(1)	(2)	(3)	(4)	(5)
Bank A	1,000.00	1,000.00	7.25	IDBIXX (RRT 7.25000%; Remaining tenure 12 days)
Bank B	500.00	1,500.00	6.99	IDBIXX (RRT 7.25000%; Remaining tenure 12 days)
Bank C	3,600.00	5,100.00	6.90	IDBIZZ (RRT 7.34000%; Remaining tenure 79 days)
Bank D	3,250.00	8,350.00	7.50	IDBIXX (RRT 7.25000%; Remaining tenure 27 days)
Bank E	2,000.00	10,350.00	7.00	IDBIZZ (RRT 7.34000%; Remaining tenure 79 days)
Bank F	1,000.00	11,350.00	7.00	IDBIYY (RRT 7.15000%; Remaining tenure 27 days)

3.   Determination of Auction Winner

SOR : 7.00%

Quantity : Rp7 trillion

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement

(in billion rupiah)

Bank	Quantity won	Cumulative	Repo rate (%)	Securities Settlement			First leg Settlement Value[3]	Repo Interest	Second leg Settlement Value
				Series	SBI Price (%)	nominal value of SBI under repo[2]			
(1)	(2)	(3)	(4)	(6)	(7)	(8)	$(9)=(7)\times(8)$	$(10)=(9)\times4\times(7/360)$	$(11)=(9)+((10)$
Bank D	3,250.00	3,250	7.50	IDBIXX	99.75892	3,250.00	3,232.66	4.71	3,237.37
Bank A	1,000.00	4,250	7.25	IDBIXX	99.75892	1,000.00	997.59	1.41	999.00
Bank E[1]	2,220.26	3,145.37	7.00	IDBIZZ	98.41481	2,220.26	2,185.07	2.97	2,220.26
Bank F	916.67	7,000.00	7.00	IDBIYY	99.46661	916.67	911.78	1.24	913.02

Description:

1) Calculated proportionally by rounding up to the smallest amount of Rp1 million.

   Example for Bank E:

$$\frac{\text{Bid quantity E}}{\text{Total bids E and F}} \times \frac{\text{remaining quantity which must be absorbed}}{} \times \frac{\text{Rp2,000 billion}}{\text{Rp3,000 billion}} \times (\text{Rp7,000 billion} - \text{Rp4,250 billion}) = \text{Rp1,833 billion}$$

2) Nominal value of SBI to be debited from the Securities Account.

3) The Value of first leg settlement of SBI Repo to be credited to the Demand Deposit Account.

EXAMPLE OF REPO TRANSACTION BY USING SOVEREIGN DEBT

SECURITIES (SUN)

WITH THE FIXED RATE TENDER METHOD

1.   Auction Plan

      Auction method : Fixed rate tender

      Repo Tenure : 7 days

      Repo rate : 7.00%

      Window time : 14.00 – 14.30 Western Indonesia Time (WIB)

      Settlement : T+0

      Underlying asset : VR 000X price 101.95000

                         FR 000Y price 110.00000

      Haircut : 5%, so that: Price of VR 000X = 96.95000

                         Price of FR 000Y = 105.00000

      Coupon receipt : On the 4th day of Repo transaction, Bank Indonesia receives the SUN coupon series VR000X

2.   Auction Bid

      Quantity : Rp11.35 trillion

Table 1. Auction Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	Repo rate (%)	SUN under the repo transaction	
				Series	Repo price (SUN price - Haircut) (%)
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000.00	1,000.00	7.00	VR 000X	96.95000
Bank B	500.00	1,500.00	7.00	VR 000X	96.95000

Bank C	3,600.00	5,100.00	7.00	VR 000X	96.95000
Bank A	3,250.00	8,350.00	7.00	FR 000Y	105.00000
Bank X	2,000.00	10,350.00	7.00	FR 000Y	105.00000
Bank Y	1,000.00	11,350.00	7.00	FR 000Y	105.00000

3. Determination of Auction Winner

Quantity   :   Rp7 trillion (proportional)

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	Repo rate (%)	Securities Settlement		nominal value of SUN under repo[2]	Settlement of Funds		Repo Interest	Second leg Settlement Value[5]
				Series	Repo Price (%)		Accrued Interest of SUN[3]	First leg Settlement Value[4]		
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(2)	(8)	(9)=((6) x(7))+(8)	(10)=(9)*(4)*(7/360)	(11)=(9)+((10)
Bank A	616.74	616.74	7.00	VR 000X	96.95000	616.74	9.80	607.73	0.83	608.56
Bank B	308.37	925.11	7.00	VR 000X	96.95000	308.37	4.90	303.86	0.412	304.27
Bank C	2,220.26	3,145.37	7.00	VR 000X	96.95000	2,220.26	35.30	2,187.84	2.98	2,190.26
Bank A	2,004.41	5,149.78	7.00	FR 000Y	105.00000	2,004.41	31.20	2,135.83	2.91	2,138.74
Bank X	1,233.48	6,383.26	7.00	FR 000Y	105.00000	1,233.48	19.20	1,314.35	1.79	1,316.14
Bank Y	616.74	7,000.00	7.00	FR 000Y	105.00000	616.74	9.60	657.18	0.89	658.07

Description:

1) The quantity won is calculated proportionally by rounding up to the smallest amount of Rp1 million.

   Example of Bank A (SUN series VR):

$$\frac{\text{Bid quantity A (Rp1 trillion)}}{\text{Total bid (Rp11.35 trillion)}} \times \text{Quantity of accepted transaction (Rp7 trillion)} = \text{Rp616.74 billion}$$

2) The nominal value of SUN subject to repo to be debited from the Securities Account in the first leg settlement and to be credited in the second leg settlement.

3) Calculated as from the date of the last coupon payment up to the date of the first leg settlement.

4) The first leg settlement value to be credited to the Demand Deposit Account.

5) The second leg settlement value to be debited from the Demand Deposit Account.

EXAMPLE OF REPO TRANSACTION BY USING SOVEREIGN DEBT

SECURITIES (SUN)

WITH THE VARIABLE RATE TENDER METHOD

1.   Auction Plan

Auction method   :   Variable rate tender

Repo Tenure   :   7 days

Indicative target   :   Rp7 trillion

Repo rate   :   7.00%

Window time   :   10.00 – 11.30 Western Indonesia Time (WIB)

Settlement   :   T+0

Underlying asset   :   VR 000X price 101.95000

FR 000Y price 110.00000

Haircut   :   5%, so that: Price of VR 000X = 96.95000

Price of FR 000Y = 105.00000

2.   Auction Bid

Quantity   :   Rp11.35 trillion

RR-Rate   :   6.90% - 7.25%

Table 1. Auction Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	Repo rate (%)	SUN under the repo transaction	
				SUN Series	Repo price (SUN price - Haircut) (%)
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000.00	1,000.00	7.25	VR 000X	96.95000
Bank B	500.00	1,500.00	6.99	VR 000X	96.95000

Bank C	3,600.00	5,100.00	6.90	VR 000X	96.95000
Bank A	3,250.00	8,350.00	7.50	FR 000Y	105.00000
Bank X	2,000.00	10,350.00	7.00	FR 000Y	105.00000
Bank Y	1,000.00	11,350.00	7.00	FR 000Y	105.00000

3. Determination of Auction Winner

SOR   : 7.00%

Quantity   : Rp7 trillion

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement

(in billion rupiah)

Bank	Quantity won	Cumulative	Repo rate (%)	Securities Settlement		nominal value of SUN under repo[2]	Settlement of Funds	First leg Settlement Value[4]	Repo Interest	Second leg Settlement Value
				Series	Repo Price (%)		Accrued Interest of SUN[3]			
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(2)	(8)	$(9)=((6) \times (7))+(8)$	$(10)=(9)*(4)*(7/360)$	$(11)=(9)+((10))$
Bank A	3,250.00	3,250.00	7.50	FR 000Y	105.00000	3,250.00	31.20	3,443.70	5.02	3,448.72
Bank A	1,000.00	4,250.00	7.25	VR 000X	96.95000	1,000.00	9.80	979.30	1.38	980.68
Bank X[1]	1,233.48	6,383.26	7.00	FR 000Y	105.00000	1,233.48	19.20	1,944.20	2.65	1,946.85
Bank Y[1]	616.74	7,000.00	7.00	FR 000Y	105.00000	616.74	9.60	972.10	1.32	973.42

Description:

1) Bank X and Bank Y win the auction proportionally based on the following calculation

$$\frac{\text{Bid quantity X (Rp2 trillion)}}{\text{Total bids of Banks X and Y (Rp3 trillion)}} \times \text{Remaining quantity (Rp7 trillion-Rp4.25 trillion)} = \text{Rp1,833.33 billion}$$

2) The nominal value of SUN subject to repo to be debited from the Securities Account in the first leg settlement and to be credited in the second leg settlement.

3) The accrued interest is calculated from the date of the last coupon payment up to the date of the first leg settlement of the repo transaction.

4) The first leg settlement value to be credited to the Demand Deposit Account.

EXAMPLE OF REVERSE REPO TRANSACTION

BY USING THE FIXED RATE TENDER METHOD

A.   Single Securities

1.   Auction Plan

      Tender method   :   Fixed rate tender

      Tenure   :   28 days

      RR-Rate   :   7.00%

      Underlying asset   :   VR 000X series with SUN price 101.95000%   (single

      securities)

      Window time   :   09.00 – 10.00 Western Indonesia Time (WIB)

      Settlement   :   T+1

2.   Auction Bid

      Quantity   :   Rp11.35 trillion

Table 1. Auction Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	RR-Rate (%)	SUN Series	SUN Price (%)
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000	1,000	7.00	VR 000X	101.95000
Bank B	500	1,500	7.00	VR 000X	101.95000
Bank C	3,600	5,100	7.00	VR 000X	101.95000
Bank D	3,250	8,350	7.00	VR 000X	101.95000
Bank E	2,000	10,350	7.00	VR 000X	101.95000
Bank F	1,000	11,350	7.00	VR 000X	101.95000

----

3.   Determination of Auction Winner

Quantity   :   Rp7 trillion (proportional)

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg
Settlement

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	RR-Rate (%)	Securities Settlement			Settlement of Funds		Second leg Settlement Value[5]
				Series	Price after Haircut (%)	Nominal Value[2]	Accrued Interest[3]	First leg Settlement Value[4]	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)={(2)x(6)}+(9)x(4)x(8)	(10)=(9)+[(9)x(4)x(4)x(28/360)
Bank A	616.74	616.74	7.00	VR 000X	101.95000	616.74	9.80	638.56	642.04
Bank B	308.37	925.11	7.00	VR 000X	101.95000	308.37	4.90	319.70	321.02
Bank C	2,220.26	3,145.37	7.00	VR 000X	101.95000	2,220.26	35.27	2,298.83	2,311.64
Bank D	2,004.41	5,149.78	7.00	VR 000X	101.95000	2,004.41	31.84	2,075.33	2,086.64
Bank E	1,233.48	6,383.26	7.00	VR 000X	101.95000	1,233.48	19.59	1,277.13	1,284.08
Bank F	616.74	7,000.00	7.00	VR 000X	101.95000	616.74	9.80	638.56	642.04

Description:

1)   The quantity won by each OMO Participant is calculated

proportionally by rounding up to the smallest amount of Rp1 million.

$$\frac{\text{Bid quantity (Rp1 trillion)}}{\text{Total bid (Rp11 trillion)}} \text{ x } \text{Quantity received (Rp7 trillion=Rp616.74 billion}$$

2)   Nominal Value constitutes the nominal value of Securities to be

credited to the Securities Account in the first leg settlement and to be

debited in the second leg settlement.

3)   The accrued interest is calculated as from the date of the last coupon

payment up to the date of the first leg settlement.

4)   The first leg settlement value to be credited from the Demand Deposit

Account.

5)   The second leg settlement value to be credited by Bank Indonesia.

4. <u>If the Bank Receives the Coupon/Rights Payment in the Reverse Repo Transaction period</u>

Date of first leg transaction   :   December 1, 2010

Date of first leg settlement   :   December 2, 2010

Date of second leg settlement :   December 30, 2010

Date of coupon receipt   :   December 22, 2010

Coupon nominal value   :   Rp166.8 billion for a nominal value of Rp7 trillion

Table 3 – Calculation of Coupon, RR-Rate Interest and Second Leg Settlement Value

Bank	Quantity Won	Proportional coupon[1]		Bank Indonesia's Reverse Repo Obligation		RR-Rate (%)	Reverse Repo Interest[3]			Second leg settlement value[5]
		%	Rp billion	Before coupon= first leg settlement	After coupon[2]		Before coupon	After coupon[4]	Total Interest	After coupon
(1)	(2)	(3)	(4)	(5)	(6)=(5)-(4)	(7)	(8)=(5)x(7)x(20/360)	(9)+(6)x((7)x(8/360)	(10)=(8)+(9)	(11)=(6)+(10)
Bank A	616.74	8.81	14.70	638.56	623.87	7.00	2.48	0.97	3.45	627.32
Bank B	308.37	4.41	7.35	319.28	311.94	7.00	1.24	0.49	1.73	313.66
Bank C	2,220.26	31.72	52.91	2,298.83	2,245.92	7.00	8.94	3.49	12.43	2,258.35
Bank D	2,004.41	28.63	47.76	2,075.33	2,027.57	7.00	9.07	3.15	11.22	2,038.79
Bank E	1,233.48	17.62	29.39	1,277.13	1,247.74	7.00	4.97	1.94	6.91	1,254.64
Bank F	616.74	8.81	14.70	638.56	623.87	7.00	2.48	0.97	3.45	627.32

Description:

1) The coupon value of Rp166.8 billion is calculated proportionally for each winner.

Example for Bank A

$$\frac{\text{Rp16.74 billion}}{\text{Rp7,000 billion}} \text{ x } \text{Rp166.8 billion=Rp14.70 billion}$$

2)   The value of Bank Indonesia's liability with respect to the Reverse

Repo transaction after being adjusted to the coupon receipt.

3)   Adjustment of Reverse Repo interest calculation after the receipt of

coupon

4)   Calculation of Reverse Repo interest after coupon:

$$
\text{Reverse Repo Interest after coupon} = \left| \text{First leg settlement value} - \text{coupon} \right| \times \text{RR-Rate} \times \frac{\text{Tenure of coupon receipt up to the second leg}}{360}
$$

(5)   Adjustment of the second leg settlement value after the receipt of

coupon

B. Multiple Securities

1. Auction Plan

Auction method	:	Fixed rate tender
Tenure	:	28 days
RR-Rate	:	7.00%
Window time	:	09.00 – 10.00 Western Indonesia Time (WIB)
Settlement	:	T+1
Haircut	:	0%
Underlying asset	:	Several series of Government bonds (multiple securities)

No.	Series	Nominal Value	Price	Accrued Interest
1.	FR 000X	4,000	110.00000%	81.40
2.	VR 000X	2,000	101.95000%	31.80
3.	VR 000Y	1,000	96.00000%	14.80

2. Auction Bid

Quantity	:	Rp11.35 trillion

Table 1. Auction Bid and Auction Winner Calculation

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	RR-Rate (%)	Quantity of total won [1]
(1)	(2)	(3)	(4)	(5)
Bank A	1,000	1,000	7.00	616.74
Bank B	500	1,500	7.00	308.37
Bank C	3,600	5,100	7.00	2,220.26
Bank D	3,250	8,350	7.00	2,004.41
Bank E	2,000	10,350	7.00	1,233.48
Bank F	1,000	11,350	7.00	616.74

Description:

----

1)   Quantity won is calculated proportionally by rounding up to the smallest amount of Rp1 million.

Example for Bank A:

$$\frac{\text{Rp1,000 billion}}{\text{Rp11,350 billion}} \text{ x } \text{Quantity received (Rp7 trillion=Rp616.74 billion}$$

3.   Determination of Auction Winner

Quantity   :   Rp7 trillion (proportional)

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	RR-Rate (%)	Securities Settlement			Settlement of first leg Funds			RR Interest	Settlement of second leg funds[4]
				Series	Price after Haircut	allocated Nominal Value of SUN [2]	SUN value	Accrued Interest	First leg Settlement Value[3]		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(8)+(9)	(11)=(10) x(4) x (28/360)	(12)=(9)+(10)
Bank A	616.74	616.74	7.00	FR 000X	110.00000	616.74	678.41	12.55	690.96	3.76	694.73
Bank B	308.37	925.11	7.00	FR 000X	110.00000	308.37	339.21	6.28	345.48	1.88	347.36
Bank C	2,220.26	3,145.37	7.00	FR 000X	110.00000	2,220.26	2,442.29	45.18	2,487.47	13.54	2,501.01
Bank D	1,779.74	5,149.78	7.00	FR 000X	110.00000	854.63	940.09	17.39	957.48	5.21	962.70
				VR 000X	101.95000	1,149.78	1,172.20	18.28	1,190.48	6.48	1,196.96
Bank E	1,233.48	6,383.26	7.00	VR 000X	101.95000	850.22	866.80	13.52	880.32	4.79	885.11
				VR 000Y	96,000.00	383.26	367.93	5.67	373.60	2.03	375.64
Bank F	616.74	7,000.00	7.00	VR 000X	96,000.00	616.74	592.07	9.13	601.20	3.27	604.47

Description:

1)   The quantity and SUN series won is calculated proportionally by rounding up to the smallest amount of Rp1 million.

$$\frac{\text{Bid quantity A (Rp1 trillion)}}{\text{Total bid (Rp11.35 trillion)}} \text{ x } \text{Accepted transaction quantity (Rp7 trillion)=Rp616.74 billion}$$

2) The allocated nominal value of SUN constitutes the nominal value of SUN to be credited to the Securities Account in the first leg settlement and to be debited in the second leg settlement.

3) The first leg settlement value will be debited from the Demand Deposit Account.

4) The second leg settlement value will be credited by Bank Indonesia to the Demand Deposit Account

EXAMPLE OF REVERSE REPO TRANSACTION

BY USING THE VARIABLE RATE TENDER METHOD

A.   Single Securities

1.   Auction Plan

Auction method   :   Variable rate tender

Tenure   :   28 days

Indicative target   :   Rp2 trillion

Window time   :   09.00 – 10.00 Western Indonesia Time (WIB)

Settlement   :   T+1

Underlying asset   :   VR 000X series in the amount of Rp7 trillion (single

securities)

Price 101.95000%

Haircut   :   0%

2.   Auction Bid

Quantity   :   Rp11.35 trillion

RR-Rate   :   6.90% - 7.05%

Table 1. Tender Bid

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	RR-Rate (%)	SUN	
				Series	Price (%)
(1)	(2)	(3)	(4)	(5)	(6)
Bank A	1,000	1,000	6.90	VR 000X	101.95000
Bank B	500	1,500	6.95	VR 000X	101.95000
Bank C	3,600	5,100	6.97	VR 000X	101.95000
Bank D	3,250	8,350	7.00	VR 000X	101.95000
Bank E	2,000	10,350	7.00	VR 000X	101.95000
Bank F	1,000	11,350	7.05	VR 000X	101.95000

----

3.   Determination of Auction Winner

Quantity   :   Rp7 trillion

Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg
Settlement

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	RR-Rate (%)	Securities Settlement			Settlement of Funds		RR Interest	Second leg Settlement Value
				Series	Price after Haircut (%)	Nominal Value[2]	Accrued Interest[)	First leg Settlement Value[3]		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	$(9)=\{(2) \times (6)\}+(8)$	$(10)=(9) \times (4) \times (28/360)$	$(11)=(9)+(10)$
Bank A	1,000.00	1,000.00	6.90	VR 000X	101.95000	1,000.00	15.89	1,035.39	5.56	1,040.95
Bank B	500.00	1,500.00	6.95	VR 000X	101.95000	500.00	7.94	517.69	2.80	520.49
Bank C	3,600.00	5,100.00	6.97	VR 000X	101.95000	3,600.00	57.19	3,727.39	20.21	3,747.60
Bank D[1]	1,176.19	6,276.19	7.00	VR 000X	101.95000	1,176.19	18.68	1,217.81	6.63	1,224.44
Bank E[1]	723.81	7,000.00	7.00	VR 000X	101.95000	723.81	11.50	749.42	4.08	753.50
Bank F	Not Winning									

Description:

1)   Bank D and Bank E win the tender proportionally based on the
following calculation

Example for Bank D:

$$\frac{\text{Bid quantity D}}{\text{Total bids D and E}} \times \text{Remaining nominal value} \times \frac{\text{Rp3,250 billion}}{\text{Rp5,250 billion}} \times \text{Rp1,900 billion} = \text{Rp1,176 billion}$$

2)   Nominal value constitutes the nominal value of SUN to be credited to
the Securities Account in the first leg settlement and to be debited in
the second leg settlement.

3)   The value of the first leg settlement will be debited from the Demand
Deposit Account.

4)   The value of the second leg settlement will be credited to the Demand
Deposit Account

B.   Multiple Securities

1.   Auction Plan

Auction method   :   Variable rate tender

Tenure   :   28 days

Indicative target   :   Rp7 trillion

Window time   :   09.00 – 10.00 Western Indonesia Time (WIB)

Settlement   :   T+1

Haircut   :   5%

Type of Underlying asset : Several series of Government Bonds (multiple securities)

No	Series	Nominal	Price	Accrued Interest
1.	FR 000X	4,000	110.00000%	81.40
2.	VR 000X	2,000	101.95000%	31.80
3.	VR 000Y	1,000	96.00000%	14.80

2.   Auction Bid

Quantity   :   Rp11.35 trillion

RR-Rate   :   6.90% - 7.05%

Table 1. Auction Bid and Winner

(in billion rupiah)

Bank	Bid Quantity	Cumulative Bid	RR-Rate (%)	Total quantity won
(1)	(2)	(3)	(4)	(5)
Bank A	1,000	1,000	6.90	1,000.00
Bank B	500	1,500	6.95	500.00
Bank C	3,600	5,100	6.97	3,600.00
Bank D	3,250	8,350	7.00	1,176.19
Bank E	2,000	10,350	7.00	723.81
Bank F	1,000	11,350	7.05	0

3.   Determination of Auction Winner

SOR   :   7.0%

Quantity   :   Rp7 trillion (proportional)

<u>Table 2 – Calculation of Quantity, First Leg Settlement and Second Leg Settlement</u>

(in billion rupiah)

Bank	Quantity won[1]	Cumulative	RR-Rate (%)	Securities Settlement			Settlement of Funds			Second leg Settlement Value[5]
				Series	Price after Haircut (%)	Nominal Value[2]	Accrued Interest[3]	First leg Settlement Value[4]	RR Interest	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)={(6)x(7)}+(8)	(10)=(6)x(4)x(28/360)	(11)=(9)+(10)
Bank A	1,000.00	1,000.00	6.90%	FR 000X	110.00000%	1,000.00	20.35	1,120.35	6.01	1,126.36
Bank B	500.00	1,500.00	6.95%	FR 000X	110.00000%	500.00	10.18	560.18	3.03	563.21
Bank C	2,500.00	4,000.00	6.97%	FR 000X	110.00000%	2,500.00	50.88	2,800.88	15.18	2,816.06
Bank C	1,100.00	5,100.00	6.97%	VR 000X	101.95000%	1,100.00	17.49	1,138.94	6.17	1,145.11
Bank D	900.00	6,000.00	7.00%	VR 000X	101.95000%	900.00	14.31	931.86	5.07	936.93
Bank D	276.19	6,276.19	7.00%	VR 000Y	96.00000%	276.19	4.09	269.23	1.47	270.70
Bank E	723.81	7,000.00	7.00%	VR 000Y	96.00000%	723.81	10.71	705.42	3.84	709.41

Description:

1)   The quantity won by each Bank is calculated proportionally by rounding up to the smallest amount of Rp1 million.

Example for Bank E

$$\frac{\text{Bid quantity E (Rp1,000 billion)}}{\text{Total bids of D and E (Rp5,250 billion)}} \text{ x Remaining nominal value (Rp1,900 billion)} = \text{Rp723.81 billion}$$

2)   Nominal Value constitutes the nominal value of Securities to be credited to the Securities Account in the first leg settlement and to be debited in the second leg settlement.

3)   Accrued interest is calculated as from the date of the last coupon payment up to the first leg date.

4)   The first leg settlement value will be debited from the Demand Deposit Account.

5)   The second leg settlement value will be credited by Bank Indonesia.

EXAMPLE OF CALCULATION OF SUN SALE AUCTION WINNER

SOR and Multiple Yield for SUN INDOGB 12 10/10

Indicative Target   :   Rp6 trillion

Target Yield   :   12% (99.962%)

Details of bid:

NO	NOMINAL (Rp Billion)	CUMMULATIVE (Rp Billion)	CUMMULATIVE (%)	YIELD (%)	PRICE (%)	RRT YIELD (%)	RRT PRICE (%)	NOMINAL WON (Rp Billion)	CUMMULATIVE (Rp Billion)
			BID					RESULT	
1	250	250	3.36	11.85	100.640	11.85	100.64	250	250
2	450	700	9.40	11.90	100.640	11.88	100.64	450	700
3	250	950	12.75	11.95	100.187	11.90	100.52	250	950
4	1,250	2,200	29.53	12.00	99.962	11.96	100.20	1,148	2,098
5	500	2,700	36.24	12.00	99.962	11.96	100.16	459	2,557
6	2,000	4,700	63.09	12.00	99.962	11.88	100.07	1,836	4,393
7	250	4,950	66.44	12.00	99.962	11.98	100.07	230	4,623
8	1,500	6,450	86.58	12.00	99.962	11.89	100.04	1,377	6,000
9	750	7,200	96.64	12.00	99.513	12.00	99.99	0	6,000
10	250	7,450	100.00	12.15	99.290	12.00	99.97	0	6,000

If the amount of incoming bids exceeds the indicative target, not all participants will win the auction. The auction winners are determined as follows:

1.   Auction winners are participants submitting a bid the yield of which is equal to or smaller than the SOR (Stop Out Rate) namely 12% (price=99.962%). Therefore, the auction winners are the participants submitting a yield smaller than 12%, namely participants 1 through 8;

----

2. Participants 4 through 8 win the tender proportionally in accordance with the weight of bid amount of each compared to the bid amount for the yield of 12%. The details of the amount won proportionally can be seen in the table above. Example of calculation for the nominal value won by participant 4 is as follows:

Participant 4 = (1,250 : (6,450 - 950)) x (6,000 - 950) = Rp1,148 billion.

EXAMPLE OF CALCULATION OF SUN PURCHASE AUCTION WINNER

SOR and Multiple Yield for SUN INDOGB 12 10/10

Indicative Target   :   Rp6 trillion

Target Yield   :   12% (99.962%)

Details of bid:

NO	BID							RESULT	
	NOMINAL (Rp Billion)	CUMMULATIVE (Rp Billion)	CUMMULATIVE (%)	YIELD (%)	PRICE (%)	RRT YIELD (%)	RRT PRICE (%)	NOMINAL WON (Rp Billion)	CUMMULATIVE (Rp Billion)
1	250	250	3.45	12.20	99.067	12.20	99.07	250	250
2	450	1,000	13.79	12.15	99.290	12.16	99.23	750	1,000
3	1,250	2,500	34.48	12.10	99.513	12.13	99.40	1,500	2,500
4	250	2,750	37.93	12.05	99.737	12.12	99.43	250	2,750
5	2,000	4,750	65.52	12.20	99.962	12.07	99.66	1,733	4,483
6	500	5,250	72.41	12.20	99. 962	12.06	99.68	433	4,917
7	1,250	6,500	89.66	12.20	99. 962	12.05	99.74	1,083	6,000
8	250	6,750	93.10	11.90	100.413	12.04	99.76	0	6,000
9	450	7,200	99.31	11.85	100.640	12.03	99.82	0	6,000
10	50	7,250	100.00	12.80	100.868	12.03	99.82	0	6,000

 If the amount of incoming bids exceeds the indicative target, not all participants will win the auction. The auction winners are determined as follows:

1. Auction winners are participants submitting a bid with the yield being equal to or greater than the SOR (Stop Out Rate) namely 12% (price=99.962%). Therefore, the auction winners are the participants submitting the yield greater than 12%, namely participants 1 through 7;

2. Participants 5 through 7 win the tender proportionally in accordance with the weight of bid amount of each compared to the bid amount for the yield of 12%. The details of the amount won proportionally can be seen the table above. The example of calculation for the nominal value won by participant 5 is as follows:

  Participant 5 = (2,000 : (6,500 – 2,750)) x (6,000 – 2,750) = Rp1,733 billion.

CALCULATION OF SBN PURCHASE/SALE SETTLEMENT PRICE

I.   Formula for the calculation of Settlement Price per unit:

A.   In the event of SUN in the form of Government Bond with Coupons
(including ORI)

$$Ps = P + AI$$

where,

$$P = \left[\frac{N}{\left(1+\frac{i}{n}\right)^{\left(F-1+\frac{d}{E}\right)}}\right] + \left[\sum_{k=1}^{F}\frac{N\times\frac{c}{n}}{\left(1+\frac{i}{n}\right)^{\left(k-1+\frac{d}{E}\right)}}\right] - \left[N\times\frac{c}{n}\times\frac{a}{E}\right]$$

$$AI = N\times\frac{c}{n}\times\frac{a}{E}$$

B.   In the event of SUN in the form of Government Bond without
coupons (zero coupon bonds)

$$Ps = \frac{N}{(1+i)^{\frac{D}{365}}}$$

C.   In the event of SUN in the form of SPN

$$Ps = \frac{N}{1+\left(i\times\frac{D}{365}\right)}$$

where,

Ps   = Settlement Price per unit

N   = Nominal Value of SUN per unit

AI = Accrued Interest per SUN unit

c = Coupon rate in percentage

i = Yield to maturity in percentage up to 5 (five) decimals

n = Frequency of coupon payment in a year

D = Actual number of days calculated as from 1 (one) day after the settlement date up to the maturity date

a = Actual number of days calculated as from 1 (one) day after the commencement of the coupon tenure up to the settlement date

d = Actual number of days calculated as from 1 (one) day after the settlement date up to the date of the subsequent coupon payment

E = Actual number of days calculated as from 1 (one) day after the commencement of the coupon tenure up to the date of subsequent coupon payment, on which the settlement implementation occurs

F = Frequency of coupon payments remaining from the settlement date up to the maturity date

K = 1, 2, 3, ..., F

II. Example of the calculation of Settlement Price per unit:

A. SUN in the form of Government Bonds with Coupons (including ORI)

On July 14, 2010, by applying settlement on the same day, Bank Indonesia purchased/sold Government Bond in the nominal value of

Rp1,000,000.00 (one million rupiah) per unit, with the coupon of 12.125% (twelve point one hundred and twenty-five percent) per annum. The Government Bond will mature on February 15, 2012 and the coupon will be paid later on February 15 and August 15 every year. If the yield offered is 8.21000% (eight point twenty-one thousand percent) and the settlement is conducted on July 14, 2010, the settlement price per SUN unit is calculated in the following steps:

N = Rp1,000,000.00 (one million Rupiah)

c = 12.125% (twelve point one hundred and twenty-five percent)

i = 8.21000% (eight point twenty-one thousand percent)

n = 2 (two) times in a year (semi annually) namely on every February 15 and August 15

a = 149 (one hundred and forty-nine) days, namely the number of actual days calculated from 1 (one) day after the date of commencement of the coupon tenure (February 16, 2010) up to the settlement date (July 14, 2010)

d = 32 (thirty-two) days namely the number of actual days calculated as from 1 (one) day after the settlement date (July 15, 2010)

E = 181 (one hundred and eighty-one) days, namely the number of actual days calculated as from 1 (one) day after the date of commencement of coupon period up to the date of subsequent coupon payment, on which the settlement

implementation occurs (February 16, 2010 up to August 15, 2010)

F = 4 (four) times, namely the number of coupon payments remaining from the settlement date up to the maturity date

k = 1. 2, 3, ..., F

The net price per unit is calculated as follows:

$$P = \left[\frac{Rp\ 1.000.000}{\left(1 + \frac{8,21000\%}{2}\right)^{\left(4-1+\frac{32}{181}\right)}} \right] + \left[\sum_{k=1}^{4} \frac{Rp\ 1.000.000 \times \frac{12,125\%}{2}}{\left(1 + \frac{8,21000\%}{2}\right)^{\left(k-1+\frac{32}{181}\right)}} \right] - \left[Rp\ 1.000.000 \times \frac{12,125\%}{2} \times \frac{149}{181} \right]$$

= Rp880,027.69 + Rp226,910.54 – Rp49,906.77

= Rp1,057,031.45

where the accrued interest per unit is calculated as follows:

AI = Rp1,000,000 x 12.125%/2 x 149/181

    = Rp49,906.77

The Settlement Price per unit is calculated as follows:

Ps = P + AI

    = Rp1,057,031.45 + Rp49,906.77

    = Rp1,106,938.22

    = Rp1,106,938.00

Thus, the Settlement Price per SUN unit after the rounding is Rp1,106,938.00 (one million one hundred and six thousand nine hundred and thirty-eight rupiah)

B. SUN in the form of Government Bond without coupons (zero coupon bond)

On July 14, 2010, by applying the settlement on the same day, Bank Indonesia purchased/sold Government Bond in the nominal value of Rp1,000,000.00 (one million rupiah) per unit. If the yield offered is 12.50000% (twelve point five percent) and the settlement is conducted on July 14, 2010, the settlement price per unit of Government Bond is calculated in the following steps:

N   =   Rp1,000,000.00 (one million Rupiah)

i   =   12.50000%

D   =   581 (five hundred and eighty-one) days, namely the number of actual days calculated as from 1 (one) day after the settlement date (July 15, 2010) up to the maturity date (February 15, 2012)

$$Ps = \frac{Rp\ 1.000.000}{(1 + 12{,}50000\%\ )^{\frac{581}{365}}}$$

Ps   =   Rp829,041.74

        =   Rp829,042.00

C. SUN in the form of SPN

On July 13, 2010, by applying the settlement on the same day, Bank Indonesia purchased/sold SPN in the nominal value of Rp1,000,000.00 (one million rupiah) per unit. This SPN will mature on March 18, 2011. If the yield offered is 12.00000% (twelve percent) and the settlement is conducted on July 13, 2010, the settlement price per SPN unit is calculated in the following steps:

N   =   Rp1,000,000.00

i   =   12.00000%

D   =   248 (two hundred and forty-eight) days, namely the number of actual days calculated as from 1 (one) day after the settlement date (July 14, 2010) up to the maturity date (March 18, 2012)

$$Ps = \frac{Rp\ 1.000.000}{1 + \left(12,00000\% \times \frac{248}{365} \right)}$$

Ps   =   Rp924,612.42

       =   Rp924,612.00

<div align="right">Appendix 7</div>

EXAMPLE OF SANCTION IMPOSITION
DUE TO THE CANCELLATION OF MONETARY OPERATION TRANSACTIONS

Case 1

There have been 6 (six) cancellations of Monetary Operation transactions within 6 (six) month-tenure, namely 1 (one) time in the SUN purchase transaction by BI in the secondary market, 1 (one) time in the SBI auction transaction, 1 (one) time in the deposit facility transaction, 1 (one) time in the SUN sale by BI on the secondary market, 1 (one) time in the Term Deposit transaction with 3 (three) day-tenure and 1 (one) time in the Repo transaction with 7 (seven) day-tenure.

Date of Transaction Cancellation	July 13, 2010	September 16, 2010	December 9, 2010
Transaction is Cancelled	Purchase of SUN by BI in the secondary market	SBI Auction 1 month	1) Deposit facility 2) SUN sale by BI in the secondary market 3) Term Deposit with 3 (three) day-tenure 4) Repo with 7 (seven) day-tenure
Number of Cancellations	1	1	4
Cancellation Accumulation	1	2	6[1]
Date of Sanction Imposition	July 14, 2010	September 17, 2010	December 10, 2010
Sanctions	a. A written reprimand; and b. A financial penalty 0.01% (one per ten thousand) of the nominal value of the cancelled transaction, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. A written reprimand; and b. A financial penalty 0.01% (one per ten thousand) of the nominal value of the cancelled transaction, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. A written reprimand; b. A financial penalty 0.01% (one per ten thousand) of the nominal value of the cancelled transaction, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million; and c. Temporary suspension of its participation in Monetary Operations activities for 5 (five) consecutive business days, namely on December 10, 13, 14, 15 and 16, 2010.

[1] Accumulated cancellations of Monetary Operation transactions have occurred 6 (six) times since July 13, 2010.
    Subsequently, the beginning of the 6 (six) month-tenure will be re-calculated as from the occurrence of the subsequent cancellation.

<div align="right">Case 2 ...</div>

Appendix of Bank Indonesia Circular Letter No. 12/18/DPM dated July 7, 2010

Case 2

There have been 5 (five) cancellations of Monetary Operation transactions within 6 (six) month-tenure, namely 1 (one) time in the SUN purchase transaction by BI in the secondary market, 1 (one) time in the lending facility transaction, 1 (one) time in the SUN sale transaction by BI in the secondary market, 1 (one) time in the Term Deposit transaction with 3 (three) day tenure and 1 (one) time in the Repo transaction with 7 (seven) day-tenure.

Subsequently, there have been 3 (three) cancellations of Monetary Operation transactions during 6 (six) month-tenure, namely 1 (one) time in the deposit facility transaction and 2 (two) times in the SBI tender transaction (SBI auction of 1 (one) month and SBI auction of 3 (three) months).

Date of Transaction Cancellation	July 13, 2010	August 9, 2010	December 9, 2010	December 16, 2010
Transaction is Cancelled	Purchase of SUN by BI in the secondary market	1) Lending facility 2) SUN sale by BI on the secondary market 3) Term Deposit with 3 (three) day-tenure 4) Repo with 7 (seven) day-tenure	Deposit Facility	1) SBI tender, 1 month 2) SBI tender, 3 months
Number of Cancellations	1	4	1	2
Cancellation Accumulation	1	5[2]	1	3[3]
Date of Sanction Imposition	July 14, 2010	August 10, 2010	December 10, 2010	December 17, 2010
Sanctions	a. Written reprimand; and b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. Written reprimand; b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million; and c. Temporary suspension from participating in Monetary operations activities for 5 (five) business days consecutively, namely on August 11, 12, 13, 16, and 18, 2010	a. Written reprimand; and b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. Written reprimand; b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million; and c. Temporary suspension from participating in Monetary operations activities for 5 (five) consecutive business days, namely on December 17, 20, 21, 22, and 23, 2010

[2] Accumulated cancellations of Monetary Operation transactions have occurred 5 (five) times since July 13, 2010.
[3] Accumulated cancellations of Monetary Operation transactions have occurred 3 (three) times since August 9, 2010.
Subsequently, the beginning of 6 (six) month-tenure will be re-calculated following the occurrence of the subsequent cancellation.

Case 3 ...

Case 3

On July 13, 2010, there was 1 (one) cancellation of SUN purchase transaction by BI in the secondary market.

On August 9, 2010, there was 1 (one) cancellation of Deposit Facility transaction. Therefore, the accumulated cancellations occurred 2 (two) times calculated from July 13, 2010 (still during 6 (six) month-tenure).

On January 24, 2011, there was 1 (one) cancellation of Deposit Facility transaction. The accumulated cancellations were not calculated since the cancellation on July 13, 2010, because 6 (six) month-tenure had elapsed, but it was calculated since the cancellation on August 9, 2010. Therefore, there were 2 (two) accumulated cancellations.

Subsequently, on February 3, 2011, there was 1 (one) cancellation of SBI auction of 1 (one) month. There have been 3 (three) accumulated cancellations calculated since the cancellation on August 9, 2010 (still during 6 (six) month-tenure).

Date of Transaction Cancellation	July 13, 2010	August 9, 2010	January 24, 2011	February 3, 2011
Transaction is Cancelled	Purchase of SUN by BI on the secondary market	Deposit Facility	Deposit Facility	SBI auction, 1 month
Number of Cancellations	1	1	1	1
Cancellation Accumulation	1	2	$2^{4)}$	$3^{5)}$
Date of Sanction Imposition	July 14, 2010	August 10, 2010	January 25, 2011	February 4, 2011
Sanctions	a. Written reprimand; and b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. Written reprimand; and b. Financial penalty 0.01% (one per ten thousand) of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million; and	a. Written reprimand; and b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million.	a. Written reprimand; b. Financial penalty 0.01% (one per ten thousand) of the nominal value of the transaction declared cancelled, in the minimum amount of Rp10 million and in the maximum amount of Rp100 million; and c. Temporary suspension from participating in Monetary operations activities for 5 (five) business days consecutively, namely on February 4, 7, 8, 9 and 10, 2010

[4] There were 2 (two) accumulated cancellations of OMO transactions since August 9, 2010. The cancellation on January 24, 2010 was beyond 6 month-tenure since the cancellation on July 13, 2010, but it was still during 6 month-tenure since the cancellation on August 9, 2010.

[5] There were 3 (three) accumulated cancellations of OMO transactions since August 9, 2010. The cancellation on February 3, 2011 was beyond 6 month-tenure since the cancellation on July 13, 2010, but it was still within 6 month-tenure since the cancellation on August 9, 2010. Subsequently, the beginning of 6 (six) month-tenure will be re-calculated following the occurrence of the subsequent cancellation.